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Congress of the United States
House of Representatives

July 24, 1997

The Hon. Bill Archer
Chairman, Committee on Ways & Means
United States Capitol
Washington, DC

Dear Chairman Archer:

Last May, taxpayers were assured that a new bipartisan agreement would balance the federal budget, end three decades of irresponsible growth in government spending, and give the American people their first tax cut in 16 years.

The parties to this agreement -- including the Clinton Administration and the Republican leadership of both houses of Congress -- pledged that the plan would provide no less than \$85 billion in net tax relief for the American people over the next five years. Many of us had wanted more tax relief than the agreement provided. However, we accepted the argument that any increase in the size of the tax cut would violate the agreement.

Now we find that a major obstacle to agreement in conference committee is a proposal to reduce the size of tax relief. This is especially disturbing since the parties to the May agreement had settled the issue of the amount of relief.

The Joint Committee on Taxation announced last week that refundability of the child tax credit is an increase in spending and would cut the size of tax relief by \$15 billion. The committee found that this proposal would deprive taxpayers of more than 20% of the tax relief we promised them over the next 10 years.

If we decide to provide additional relief for the working poor, I am open to the possibility of providing such assistance in the form of a "refundable child tax credit." However, this assistance should not be made at the expense of historic, hard-won tax relief.

In the interest of breaking the impasse while still maintaining the integrity of the bipartisan agreement, I offer for consideration by the members of the conference committee the following proposed compromise:

- First, Republicans should accept partial refundability of the \$500 per child tax credit, provided that Congress recognizes the Joint Tax Committee's finding that it is a spending increase, not a tax cut.

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ASSISTANT MAJORITY WHIP

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- Second, in the interest of balancing the budget, this spending increase must be offset by a corresponding spending reduction.
- Finally, as promised, the bill must provide \$85 billion in net tax relief. Any bill that reduces the amount of tax relief is manifestly at odds with the bipartisan agreement.

This simple compromise addresses the concerns about fairness while fully preserving the integrity of the bipartisan tax relief pledge made to the American people. It is true to the working poor, true to the middle class taxpayer, true to our word.

I hope the members of the conference committee will give full consideration to this proposal and, in the end, send to both houses a tax relief package consistent with the pledge that has been made to the American people.

Sincerely,

A handwritten signature in black ink, appearing to read "Vince Snowbarger", written in a cursive style.

Vince Snowbarger
Member of Congress

cc: Members of the House-Senate Conference Committee
The Hon. John Kasich, Chairman, House Budget Committee